



STATE OF CALIFORNIA  
FRANCHISE TAX BOARD

# FTB Publication 1157

## Guidelines for Targeted Tax Area Tax Incentives



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## General Information

The Targeted Tax Area (TTA) has been established in California to stimulate development in selected economically-depressed areas. A business may qualify for special deductions and credits if the business operates or invests in a trade or business located within the geographic boundaries of the TTA.

The TTA program provides four business-related tax incentives:

1. Credit for hiring qualified employees;
2. Credit for sales or use tax paid or incurred on certain property;
3. Business expense deduction for the cost of certain property; and
4. Net operating loss (NOL) carryover.

This guide briefly explains these four business-related tax incentives to help investors and business operators understand the potential financial impact and requirements of each incentive.

The TTA tax incentives apply only to certain business transactions that are undertaken **after** the area received final designation and before the designation expires.

Detailed information about the methods used to compute allowable tax savings is provided in FTB 3809, Targeted Tax Area Business Booklet.

**Conformity.** In general, California tax law conforms to the Internal Revenue Code (IRC) as of January 1, 1998. However, there are continuing differences between California and federal tax law. California has not conformed to most of the changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206) and has not conformed to any of the changes made by the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277).

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## TTA Designation Date and Geographic Boundaries

All of the incorporated cities in Tulare County and portions of the unincorporated areas of Tulare County received final designation as the TTA effective November 1, 1998. The eight incorporated cities in Tulare County are:

Dinuba	Porterville
Exeter	Tulare
Farmersville	Visalia
Lindsay	Woodlake

Further information about geographic boundaries of the TTA is available from:

ENTERPRISE ZONE PROGRAMS  
CA TRADE AND COMMERCE AGENCY  
801 K STREET SUITE 1700  
SACRAMENTO CA 95814  
Telephone: (916) 324-8211  
FAX: (916) 322-7214  
Website: commerce.ca.gov

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## Important Considerations

The TTA tax incentives only apply to:

- Qualified assets purchased and placed in service on or after November 1, 1998;
- Qualified employees hired after November 1, 1998; and/or
- NOLs for taxable or income years beginning on or after November 1, 1998.

### Eligibility

Businesses operating within the TTA do not need to pre-qualify or receive prior approval to take advantage of the special tax incentives.

A taxpayer must meet both of the following requirements to qualify for any of the TTA tax incentives.

- Be engaged in a trade or business within the TTA; and
- Be engaged in a line of business described in Standard Industrial Classification (SIC) Codes 2000 to 2099, inclusive; 2200 to 3999, inclusive; 4200 to 4299, inclusive; 4500 to 4599, inclusive; and 4700 to 5199, inclusive, of the Standard Industrial Classification Manual published by the United States Office of

Management and Budget, 1987 Edition. See pages 8 through 10 for a list of qualified SIC codes.

**Note:** Although the Franchise Tax Board (FTB) implemented the new principal business activity code chart that is based on the North American Industry Classification System, 1997 Edition, refer to the SIC for purposes of qualifying for the TTA tax incentives. The principal business activity and North American Industry Classification System (NAICS) codes cannot be used for purposes of qualifying for the TTA tax incentives.

In the case of any pass-through entity, the determination of whether a taxpayer is a qualified taxpayer for the business expense deduction, hiring credit, and sales or use tax credit is made at the entity level.

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## Hiring Credit

Eligible employers conducting a trade or business within the TTA may claim the hiring credit for a new employee who:

- Was hired after November 1, 1998;
- Spends at least 90% of his or her work time (for the qualified employer) on activities directly related to the conduct of a trade or business located within the TTA;
- Performs at least 50% of the work (for the qualified employer) within the boundaries of the TTA; **and**
- Was at the time of hire:
  1. A person receiving or eligible to receive subsidized employment, training, or services funded by the federal Job Training Partnership Act (JTPA) or its successor;
  2. A person eligible to be a voluntary or mandatory registrant under the Greater Avenues for Independence (GAIN) Act of 1985 or its successor;
  3. A member of a targeted group as defined in the federal Work Opportunity Tax Credit (WOTC) or its successor;
  4. An economically disadvantaged individual 14 years of age or older;
  5. A qualified dislocated worker;
  6. A disabled individual eligible for, enrolled in, or who completed a state rehabilitation plan;
  7. A service-connected disabled veteran;
  8. A veteran of the Vietnam era;
  9. A veteran who recently separated from military service;
  10. An ex-offender;
  11. A person eligible for or a recipient of:
    - Federal Supplemental Security Income (SSI) benefits;
    - Aid to Families with Dependent Children (AFDC);
    - Food stamps; or
    - State and local general assistance;
  12. A Native American; or
  13. A resident of the TTA.

Employers hiring qualified employees should get Form TCA EZ1, Enterprise Zone and Targeted Tax Area Hiring Voucher, from the local agency responsible for verifying

employee eligibility. Contact the local TTA coordinator for more information on the local agency and verification process.

The percentage of wages used to calculate the credit depends on the number of years the employee works for the employer in the TTA. The applicable percentage begins at 50% and declines 10% for each year of employment. After the fifth year of employment, no credit is generated.

Period of employment	Credit allowed on qualified wages paid
First 12 months	50%
Second 12 months	40%
Third 12 months	30%
Fourth 12 months	20%
Fifth 12 months	10%
After 60 months	0%

Wages that qualify for the hiring credit are those wages paid to a qualified employee for the consecutive 60-month period beginning on the first date the employee commenced employment with the employer. For an employer that operates a business that has regularly occurring seasonal or intermittent employment decreases and increases, reemployment of an employee does not constitute commencement of employment for the qualified wages test.

The credit is based on the smaller of the following:

- The actual hourly rate paid or incurred by the employer for work performed by the employee during the taxable or income year; or
- 150% of the minimum hourly wage established by the California Industrial Welfare Commission.

Where the California minimum wage is higher than the federal minimum wage, the California minimum wage is used for purposes of computing the TTA hiring credit. The established minimum wage after March 1, 1998, is \$5.75 per hour. For purposes of computing the TTA hiring credit, 150% of the minimum wage is \$8.62.

## Credit Limitations

- The amount of TTA credits (sales or use tax credit, hiring credit, and credit carryovers from prior years) claimed for any year may not exceed the amount of tax that would be imposed on the income earned solely from your business activities in the TTA.
- In the case where the business is qualified to take the TTA hiring credit as well as another credit for the same wage expense, the business may claim only one credit for that wage expense.
- The credit cannot reduce the minimum franchise tax, alternative minimum tax, built-in gains tax, or the excess net passive income tax. However, the credit can reduce the regular tax below tentative minimum tax.

## Credit Carryover

If the amount of the hiring credit is greater than the tax attributable to the TTA income in any year, the excess credit can be carried over to future years to offset the TTA tax until exhausted.

## Recordkeeping

Retain a copy of Form TCA EZ1 or other documentation to substantiate an individual's eligibility as a "qualified employee." In addition, for each qualified employee, keep a schedule of the first 60 months of employment showing (at least):

- Employee name;
- Date the employee was hired;
- Number of hours the employee worked each month;
- Smaller of the hourly rate of pay for each month or 150% of the minimum wage;
- Location of the employee's job site and duties performed;
- Records of any other federal or state subsidies you may have received for hiring qualified employees; and
- Total qualified wages per month for each month of employment.

## Credit Recapture

The employer must recapture the amount of credit attributable to an employee's wages if the employer terminates the employee at any time during the longer of:

- The first 270 days of employment (whether or not consecutive); or
- 90 days of employment plus 270 calendar days.

Employers of seasonal employees must recapture the amount of credit attributable to a seasonal employee's wages if the employer terminates employment before the completion of 270 days of employment during the 60-month period beginning the day the employee commences employment with the employer.

A "*day of employment*" means any day for which the employee receives wage compensation (including a paid sick day, holiday, or vacation day).

The employer must add to the current year's tax the amount of credit claimed in the year of termination and all prior years in which the credit was claimed for the terminated employee.

The credit recapture does not apply if the termination of employment was:

- Voluntary on the part of the employee;
- Due to employee misconduct;
- Caused by the employee becoming disabled (unless the employee was able to return to work and the employer did not offer to reemploy the individual);
- Carried out so that other qualified individuals could be hired, creating a net increase in both the number of qualified employees and the number of hours worked; or
- Due to a substantial reduction in the employer's trade or business operations.

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# Sales or Use Tax Credit

**Individuals, estates or trusts, partnerships, and LLCs taxed as partnerships** may claim a credit equal to the sales or use tax paid or incurred to purchase up to \$1 million of qualified property.

**Corporations** may claim a credit equal to the sales or use tax paid or incurred to purchase up to \$20 million of qualified property. Individuals who are S corporation shareholders may claim their pro-rata share of pass-through credit to the extent the S corporation paid or incurred sales or use tax to purchase up to \$1 million of qualified property.

Qualified property is the machinery or machinery parts used to:

- Manufacture, process, fabricate, or otherwise assemble a product;
- Produce renewable energy resources; or
- Control air or water pollution.

In addition, qualified property is:

- Data processing and communications equipment including, but not limited to, computers, computer-automated drafting systems, copy machines, telephone systems, and fax machines; and
- Motion picture manufacturing equipment central to production and postproduction including, but not limited to, cameras, audio recorders, and digital image and sound processing equipment.

The business must use the qualified property **exclusively** within the boundaries of the TTA. Also, the qualified property must be purchased and placed in service before the TTA expires.

If you purchase property manufactured outside of California and claim the credit for the use tax paid, you will be allowed the credit only if property of a comparable quality and price was not available for timely purchase and delivery from a California manufacturer.

## Leased Property

The sales tax paid on qualified property being purchased using a financial (conditional sales) contract qualifies for the sales or use tax credit.

## Credit Limitations

- The amount of TTA credits (sales or use tax credit, hiring credit, and credit carryovers from prior years) claimed for any year may not exceed the amount of tax that would be imposed on the income earned solely from your business activities in the TTA.
- In the case where the business is qualified to take the TTA sales or use tax credit as well as another credit (e.g., enterprise zone sales or use tax credit, manufacturers' investment credit, or LAMBRA sales or use tax credit) for the same piece of property, then the business may only claim one credit for that property.

- Any taxpayer that claims this credit cannot increase the basis of the qualified property with respect to the sales or use tax paid or incurred in connection with the purchase of qualified property.
- The credit cannot reduce the minimum franchise tax, alternative minimum tax, built-in grains tax, or the excess net passive income tax. However, the credit can reduce the regular tax below the tentative minimum tax.

## Credit Carryover

If the amount of the sales or use tax credit is greater than the tax attributable to the TTA income in any year, the excess credit can be carried over to future years to offset the TTA tax until exhausted.

**Example:** \$50,000 is spent to purchase machinery used to manufacture wooden toys. The sales tax paid for the purchase is \$3,000. You may reduce the tax imposed on TTA income by up to \$3,000. If you cannot claim the full \$3,000 in a single taxable or income year, the remaining amount may be carried over to reduce next year's tax imposed on TTA income.

## Recordkeeping

In order to support the sales or use tax credit claimed, keep all records that document the purchase of the qualified property, such as the sales receipt and proof of payment. Additionally, keep all records that identify or describe:

- The property purchased (such as serial numbers, etc.);
- The amount of sales or use tax paid or incurred on its purchase;
- The location where it is used; and
- If purchased from a manufacturer located outside California, records to substantiate that property of comparable quality and price was not available for purchase in California.

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# Business Expense Deduction

The cost of qualified property purchased for exclusive use in the TTA may be deducted as a business expense in the first year the property is placed in service.

The type of property that qualifies for this special treatment is tangible personal property (not real estate) that is used for business purposes and is eligible for depreciation or amortization. This includes most equipment and furnishings purchased for exclusive use in the TTA, but not office supplies or other small items that are normally ineligible for depreciation.

The maximum business expense deduction for all qualified property is the smaller of 40% of the cost of the qualified property or the following amounts, based on when the property was placed in service.

	Maximum Deduction
Taxable or income year of designation . . . . .	\$40,000
First taxable or income year after designation . . . . .	\$40,000
Second taxable or income year after designation . . . . .	\$30,000
Third taxable or income year after designation . . . . .	\$30,000
Each remaining taxable or income year of designation . . . . .	\$20,000
<b>Note:</b> The TTA received final designation on November 1, 1998.	

An election to treat the cost of qualified property as a business expense must be made in the year the property is first placed in service. An election is made by using form FTB 3809 (filed with the California return) and claiming the deduction on the original return for the year the property is placed in service. The election is revocable only upon the written consent of the FTB. However, this deduction is not allowed if the property was:

- Transferred between members of an affiliated group;
- Acquired as a gift or inherited;
- Traded for other property; or
- Received from a personal or business relation.

## Depreciation

- The basis (cost for depreciation purposes) of the property must be reduced by the amount allowed as a deduction.
- The remaining basis may be depreciated in the year **following** the year the qualified property was placed in service.
- The deduction allowed by IRC Section 179, relating to an election to expense certain depreciable business assets, cannot be claimed if the taxpayer elects the business expense deduction.
- Corporations may not claim additional first-year depreciation for these assets.

**Example:** Three months after the TTA was designated, a baking oven was purchased that costs \$20,000. The oven is depreciated over a ten-year period using the straight-line method.

The TTA business expense deduction claimed is \$8,000 (\$20,000 x 40%). The normal depreciation **next** year is: (\$20,000 - \$8,000) ÷ 9 years = \$1,333.

## Deduction Recapture

The full amount of the deduction must be recaptured and included in income if the property ceases to be used in the TTA for the remainder of the taxable or income year the property was placed in service **and** in the two subsequent taxable or income years immediately thereafter.

## Recordkeeping

Information should be maintained that will allow a taxpayer to substantiate the claim for the first-year business expense deduction. The records for each item should show (at least):

- A description and purchase price of the property;
- The date the property was first placed in service in the TTA; and
- The location where the property is used.

## Net Operating Loss Carryover

NOLs of individuals or corporations doing business in the TTA may be carried over to future years to reduce the amount of taxable TTA income for those years. The NOL carryover is determined by computing the business loss that results strictly from business activity in the TTA. The TTA property and payroll factors used to determine the apportioned business net operating loss include worldwide amounts in the denominator. A taxpayer may carry over 100% of the business loss from the TTA activity until exhausted for a period not to exceed 15 years.

## Election

Taxpayers must elect and designate the carryover category (general or specific enterprise zone, LAMBRA, or TTA NOL) on the original return for the year of a loss and file form FTB 3809 for each year a TTA NOL deduction is taken. The election is irrevocable.

To determine which type of NOL will provide the greatest benefit, businesses should estimate future income and complete Worksheet V in FTB 3809.

For more information regarding the other types of NOLs, see the following forms or worksheets:

- FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Individuals, Estates and Trusts;
- FTB 3805Q, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Corporations;
- FTB 3805Z, Enterprise Zone Business Booklet, Worksheet VI; and
- FTB 3807, Local Agency Military Base Recovery Area Business Booklet, Worksheet V.

## Limitations

- TTA NOL carryovers are allowed only for losses occurring in a year beginning after the date the area was designated as the TTA. The TTA received final designation on November 1, 1998.
- A TTA NOL may not be applied to years prior to the year in which the TTA NOL occurred (no carrybacks).

**Example:** For the 1998 income year, your activities in the TTA showed a \$5,000 NOL that was incurred after the final designation of the TTA and was the exclusive result of your TTA activities. Because of the loss, you owed no

tax on TTA income. For the 1999 income year, your business shows taxable income of \$8,000 as an exclusive result of your TTA activities. You may carry over the 1998 \$5,000 NOL to reduce your 1999 TTA taxable income from \$8,000 to \$3,000.

## Recordkeeping

To support a claim of the TTA NOL carryover on a taxpayer's California tax return, the taxpayer should maintain (at least):

- Records showing the date the business activities began in the TTA;
- Accounting records showing that the loss was the result of business activity in the TTA; and
- Financial data indicating that the income offset by the NOL carryover is the product of business activities in the TTA.

## Determination of TTA Income or TTA Tax

For businesses operating within and outside the TTA, the amount of credit and NOL deduction a taxpayer may claim on their California tax return is limited by the amount of tax or income attributable to the TTA. The formula used to determine the amount of tax or income attributable to the TTA is a formula based on the total property and payroll of the business located within the TTA compared to the total property and payroll of the business located within California.

Here are examples of doing business within and outside of the TTA:

**Example:** You have a factory located within the TTA and you also have a factory located outside the TTA. In this situation, you would be required to use the formula.

**Example:** You have employees who perform substantial services within the TTA, and you have other employees who perform substantial services outside the TTA. In this situation, you would be required to use the formula.

If you are doing business within and outside the TTA, get FTB 3809. Refer to Part IV, Doing Business Totally Within the Targeted Tax Area or Within and Outside the Targeted Tax Area, for more information about the formula.

## Related FTB Forms and Publications

FTB 3805Z	Enterprise Zone Business Booklet
FTB 3806	Los Angeles Revitalization Zone Business Booklet
FTB 3807	Local Agency Military Base Recovery Area Business Booklet
FTB 3808	Manufacturing Enhancement Area Business Booklet

FTB 3809	Targeted Tax Area Business Booklet
FTB 3535	Manufacturers' Investment Credit
FTB Pub. 1047	Guidelines for Enterprise Zone Tax Incentives
FTB Pub. 1102	Guidelines for Local Agency Military Base Recovery Area Tax Incentives
FTB Pub. 1145	Guidelines for the Manufacturing Enhancement Area Tax Incentive
FTB 1113	California's Manufacturers' Investment Credit: Frequently Asked Questions
FTB 1118	Frequently Asked Questions About the Local Agency Military Base Recovery Area (LAMBRA) Tax Incentives
FTB 1126	Frequently Asked Questions About the Enterprise Zone Tax Incentives

## Where to Get FTB Forms and Publications

**By Internet** – If you have Internet access, you may download, view, and print California tax forms and publications. Go to our website at:  
**[www.ftb.ca.gov](http://www.ftb.ca.gov)**

**By phone** – Use the Automated Taxpayer Assistance (ATA) toll-free phone service to order FTB 3805Z. Call (800) 338-0505, select personal income tax, then select order forms, and enter code **901** when you are instructed to do so. Use the general toll-free phone service to order all other forms and publications previously listed.

Please allow two weeks to receive your order. If you live outside California, please allow three weeks to receive your order.

**In person** – Most libraries, post offices, and banks provide free California personal income tax booklets during the filing season. Many libraries and some quick print businesses have forms and schedules to photocopy (a nominal fee may be required). Note that employees at libraries, post offices, banks, and quick print businesses cannot provide tax information or assistance.

**By mail** – Write to:

TAX FORMS REQUEST UNIT  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

## Economic Development Area Information

Further information about the TTA tax incentives is available from:

FRANCHISE TAX BOARD  
ECONOMIC DEVELOPMENT AREA INFORMATION  
Telephone: (916) 845-3464  
Fax: (916) 845-0415  
Website: [www.ftb.ca.gov](http://www.ftb.ca.gov)

You can also email the FTB with inquiries about the TTA tax incentives at:

edam\_audit@ftb.ca.gov

Be sure your email includes your name and daytime telephone number.

# General Toll-Free Phone Service

Our general toll-free phone service is available:

- Monday - Friday, 7 a.m. until 8 p.m.; and
- Saturdays, 7 a.m. until 4 p.m.

The best times to call are before 10 a.m. and after 6 p.m. Times of day are Pacific Standard Time (PST).

From within the United States . . . . . (800) 852-5711

From outside the United States . . . . . (916) 845-6500  
(not toll-free)

## Assistance for persons with disabilities:

The FTB complies with provisions of the Americans with Disabilities Act. Persons with a hearing or speech impairment, call:

From voice phone . . . . . (800) 735-2922  
(California Relay Service)

From TTY/TDD . . . . . (800) 822-6268  
(Direct line to FTB customer service)

For all other assistance or special accommodations, call (800) 852-5711.

## Asistencia bilingüe en español:

Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

# Field Offices

You can get information, California tax forms, and resolve problems on your account if you visit one of our field offices. Our field office hours are Monday through Friday, 8 a.m. until 5 p.m.

Field Office	Address
Bakersfield	1800 30th St, Ste 370
Burbank	333 N Glenoaks Blvd, Ste 200
Fresno	2550 Mariposa St, Rm 3002
Long Beach	4300 Long Beach Blvd, Ste 700B
Los Angeles	300 S Spring St, Ste 5704
Oakland	1515 Clay St, Ste 305
Sacramento	3321 Power Inn Rd, Ste 250
San Bernardino	464 W 4th St, Ste 454
San Diego	5353 Mission Ctr Rd, Ste 314
San Francisco	455 Golden Gate Ave, Ste 7400
San Jose	96 N Third St, 4th Fl
Santa Ana	600 W Santa Ana Blvd, Ste 300
Santa Rosa	50 D St, Rm 130
Stockton	31 East Channel St, Rm 219
Ventura	4820 McGrath St, Ste 270
West Covina	100 N Barranca St, Ste 600

## Out of State Field Offices

Chicago	1 N. Franklin, Ste 400 Chicago, IL 60606-3401
Houston	1415 Louisiana, Ste 1515 Houston, TX 77002-7351
Long Island	1325 Franklin Ave, Ste 560 Garden City, NY 11530-1631
Manhattan	1212 Ave of the Americas, 4th Fl New York, NY 10036-1601

# Standard Industrial Classification Manual, 1987 Edition (Partial Listing)

The Standard Industrial Classification (SIC) Manual is organized using a hierarchical structure, first by division, then by two-digit major groups within each division, then by three-digit industry groups within each major group, and finally by four-digit industry codes within each industry group.

Classification of business activities is based upon establishments, which are defined in the SIC Manual as an economic unit, generally at a single physical location, where business is conducted, or where services or industrial operations are performed. A taxpayer's enterprise may consist of more than one establishment. The SIC Manual provides the following examples of establishments: A factory, mill, store, hotel, movie theater, mine, farm, ranch, bank, railroad depot, airline terminal, sales office, warehouse, or central administrative office. Where distinct and separate economic activities are performed at a single physical location (such as construction activities operated out of the same physical location as a lumber yard), each activity should be treated as a separate establishment where: (1) No one industry description in the SIC Manual includes such combined activities; (2) The employment in each economic activity

is significant; and (3) Separate reports are prepared on the number of employees, their wages and salaries, sales or receipts, property and equipment, and other types of financial data, such as financial statements, job costing, and profit center accounting.

For purposes of this publication, the following SIC codes are listed since only taxpayers with establishments in these industry codes qualify for the TTA tax incentives:

- SIC Codes 2000 through 2099;
- SIC Codes 2200 through 3999;
- SIC Codes 4200 through 4299;
- SIC Codes 4500 through 4599; and
- SIC Codes 4700 through 5199.

The complete Standard Industrial Classification Manual, 1987 Edition, is available for purchase from:

NATIONAL TECHNICAL INFORMATION SERVICE  
5285 PORT ROYAL ROAD  
SPRINGFIELD VIRGINIA 22161  
Order No. PB 87-100012

The manual is also available on the Internet at:  
[www.osha.gov/oshstats/sicser.html](http://www.osha.gov/oshstats/sicser.html)

## The four-digit industry codes within Division D of the SIC Manual are: (*nec* means "not elsewhere classified")

3291 Abrasive products	3995 Burial caskets	2074 Cottonseed oil	3441 Fabricated structural metal
2891 Adhesives & sealants	3578 Calculating & accounting equipment	2021 Creamery butter	2399 Fabricated textile products, nec
2879 Agricultural chemicals, nec		3466 Crowns & closures	3523 Farm machinery & equipment
3563 Air & gas compressors	2064 Candy & other confectionery products	3643 Current-carrying wiring devices	3965 Fasteners, buttons, needles, & pins
3728 Aircraft parts & equipment, nec		2391 Curtains & draperies	2875 Fertilizers, mixing only
3724 Aircraft engines & engine parts	2062 Cane sugar refining	3087 Custom compound purchased resins	2655 Fiber cans, drums, & similar products
3721 Aircraft	2033 Canned fruits & vegetables		
2812 Alkalies & chlorine	2091 Canned & cured fish & seafood	3281 Cut stone & stone products	2262 Finishing plants, manmade
3354 Aluminum extruded products	2032 Canned specialties	3421 Cutlery	2261 Finishing plants, cotton
3355 Aluminum rolling & drawing, nec	2394 Canvas & related products	2865 Cyclic crudes & intermediates	2269 Finishing plants, nec
3365 Aluminum foundries	3955 Carbon paper & inked ribbons	2034 Dehydrated fruits, vegetables, & soups	3211 Flat glass
3353 Aluminum sheet, plate, & foil	2895 Carbon black		2087 Flavoring extracts & syrups, nec
3363 Aluminum die-casting	3624 Carbon & graphite products	3843 Dental equipment & supplies	2041 Flour & other grain mill products
3483 Ammunition, except for small arms, nec	3592 Carburetors, pistons, rings, & valves	2835 Diagnostic substances	3824 Fluid meters & counting devices
		2675 Die-cut paper products	3492 Fluid power valves & hose fittings
3826 Analytical instruments	2273 Carpets & rugs	2085 Distilled & blended liquors	2026 Fluid milk
2077 Animal & marine fats & oils	2823 Cellulosic manmade fiber	2047 Dog & cat food	3594 Fluid power pumps & motors
2387 Apparel belts	3241 Cement, hydraulic	3942 Dolls & stuffed toys	3593 Fluid power cylinders & actuators
2389 Apparel & accessories, nec	3253 Ceramic wall & floor tile	2591 Drapery hardware & blinds & shades	2657 Folding paperboard boxes
3446 Architectural metal work	2043 Cereal breakfast foods		2099 Food preparations, nec
3292 Asbestos products	2022 Cheese, natural & processed	2023 Dry, condensed, & evaporated dairy products	3556 Food products machinery
2952 Asphalt felts & coatings	2899 Chemical preparations, nec		3131 Footwear cut stock
2951 Asphalt paving mixtures & blocks	2067 Chewing gum	2079 Edible fats & oils, nec	3149 Footwear, except rubber, nec
3581 Automatic vending machines	2066 Chocolate & cocoa products	3641 Electric lamps	2092 Fresh/frozen prepared fish/seafood
2396 Automotive & apparel trimmings	3255 Clay refractories	3634 Electric housewares & fans	2053 Frozen bakery products, except bread
3465 Automotive stampings	2295 Coated fabrics, not rubberized	3699 Electrical equipment & supplies, nec	
2673 Bags: plastic, laminated, & coated	3316 Cold finishing of steel shapes		2038 Frozen specialties, nec
2674 Bags: uncoated paper & multiwall	2754 Commercial printing, gravure	3629 Electrical industrial apparatus, nec	2037 Frozen fruits & vegetables
3562 Ball & roller bearings	2752 Commercial printing, lithographic	3845 Electromedical equipment	2371 Fur goods
2063 Beet sugar	2759 Commercial printing, nec	3313 Electrometallurgical products	2599 Furniture & fixtures, nec
2836 Biological products except diagnostic	3582 Commercial laundry equipment	3679 Electronic components, nec	3944 Games, toys, & children's vehicles
	3646 Commercial lighting fixtures	3678 Electronic connectors	3053 Gaskets, packing, & sealing devices
2782 Blankbooks & looseleaf binders	3669 Communication equipment	3671 Electron tubes	3569 General industrial machinery, nec
3312 Blast furnace & steel mills	3577 Computer peripheral equipment, nec	3675 Electronic capacitors	2369 Girls' & children's outerwear, nec
3564 Blowers & fans		3676 Electronic resistors	2361 Girls' & children's dresses, blouses
3732 Boat building & repairing	3575 Computer terminals	3677 Electronic coils & transformers	3221 Glass containers
3452 Bolts, nuts, rivets, & washers	3572 Computer storage devices	3571 Electronic computers	3321 Gray & ductile iron foundries
2731 Book publishing	3271 Concrete block & brick	3534 Elevators & moving stairways	2771 Greeting cards
2732 Book printing	3272 Concrete products, nec	3694 Engine electrical equipment	3761 Guided missiles & parts
2789 Bookbinding & related work	3531 Construction machinery	2677 Envelopes	2861 Gum & wood chemicals
2086 Bottled & canned soft drinks	2679 Converted paper products, nec	3822 Environmental controls	3275 Gypsum products
2342 Bras, girdles, & allied garments	3535 Conveyors & conveying equipment	2892 Explosives	3423 Hand & edge tools, nec
2051 Bread, cake, & related products	2052 Cookies & crackers	2381 Fabric dress & work gloves	3996 Hardsurface floor coverings, nec
3251 Brick & structural clay tile	3351 Copper rolling & drawing	3499 Fabricated metal products, nec	2429 Hardware, nec
2211 Broadwoven fabric mills, cotton	3366 Copper foundries	3443 Fabricated plate work (boiler shops)	2426 Hardwood dimensions & flooring mills
2221 Broadwoven fabric mills, manmade	2298 Cordage & twine		
2231 Broadwoven fabric mills, wool	2653 Corrugated & solid fiber boxes	3498 Fabricated pipe & fittings	
3991 Brooms & brushes	3961 Costume jewelry	3069 Fabricated rubber products, nec	

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2435	Hardwood veneer & plywood	3549	Metalworking machinery, nec	3264	Porcelain electrical supplies	3325	Steel foundries, nec
2353	Hats, caps, & millinery	3398	Metal heat treating	2096	Potato chips & similar snacks	3324	Steel investment foundries
3433	Heating equip, except electric	3411	Metal cans	3269	Pottery products, nec	3691	Storage batteries
3536	Hoists, cranes, & monorails	3412	Metal barrels, drums, & pails	2015	Poultry slaughtering & processing	3259	Structural clay products, nec
2252	Hosiery, nec	3431	Metal sanitary ware	3568	Power transmission equipment, nec	2439	Structural wood members, nec
2392	House furnishings, nec	3497	Metal foil & leaf	3546	Power-driven handtools	2843	Surface active agents
3142	House slippers	3479	Metal coating & allied services	3448	Prefabricated metal buildings	3841	Surgical & medical instruments
3651	Household audio & video equipment	3469	Metal stampings, nec	2452	Prefabricated wood buildings	3842	Surgical appliances & supplies
3635	Household vacuum cleaners	3442	Metal door, sash, & trim	2045	Prepared flour mixes & doughs	3613	Switchgear & switchboard apparatus
3631	Household cooking appliances	2431	Millwork	2048	Prepared feeds, nec	2822	Synthetic rubber
3633	Household laundry equipment	3296	Mineral wool	3652	Prerecorded records & tapes	3795	Tanks & tank components
3639	Household appliances, nec	3295	Minerals, ground or treated	3229	Pressed & blown glass, nec	3661	Telephone & telegraph apparatus
2519	Household furniture, nec	3532	Mining machinery	3399	Primary metal products, nec	3552	Textile machinery
3632	Household refrigerators & freezers	2741	Misc publishing	3339	Primary nonferrous metals, nec	2393	Textile bags
2024	Ice cream & frozen desserts	3449	Misc metal work	3334	Primary aluminum	2299	Textile goods, nec
3491	Industrial valves	3496	Misc fabricated wire products	3331	Primary copper	2284	Thread mills
2819	Industrial inorganic chem, nec	2451	Mobile homes	3692	Primary batteries, dry & wet	2282	Throwing & winding mills
3599	Industrial machinery, nec	3716	Motor homes	3672	Printed circuit boards	2296	Tire cord & fabrics
2869	Industrial organic chem, nec	3711	Motor vehicles & car bodies	2893	Printing ink	3011	Tires & inner tubes
3537	Industrial trucks & tractors	3621	Motor & generators	3555	Printing trades machinery	2844	Toilet preparations
2813	Industrial gases	3714	Motor vehicle parts & accessories	3823	Process control instruments	3612	Transformers, except electronic
3543	Industrial patterns	3751	Motorcycles, bicycles, & parts	3231	Products of purchased glass	3799	Transportation equipment, nec
3567	Industrial furnaces & ovens	3931	Musical instruments	2531	Public building & related furniture	3792	Travel trailers & campers
2816	Inorganic pigments	2441	Nailed wood boxes & shook	2611	Pulp mills	3713	Truck & bus bodies
3825	Instruments to measure electricity	2241	Narrow fabric mills	3561	Pumps & pumping equipment	3715	Truck trailers
3519	Internal combustion engines, nec	2711	Newspapers	3663	Radio & TV communication equipment	3511	Turbines & turbines generator sets
3462	Iron & steel forging	2873	Nitrogenous fertilizers	3743	Railroad equipment	2791	Typesetting
3915	Jewelers' materials & lapidary work	3297	Nonclay refractories	2061	Raw sugar cane	3082	Unsupported plastic profile shapes
3911	Jewelry, precious metal	3644	Noncurrent-carrying wiring devices	3273	Ready-mixed concrete	3081	Unsupported plastic film & sheet
2253	Knit outerwear mills	3369	Nonferrous foundries, nec	2493	Reconstituted wood products	2512	Upholstered household furniture
2254	Knit underwear mills	3364	Nonferrous die-casting, except aluminum	3585	Refrigeration & heating equipment	3494	Valves & pipe fittings, nec
2259	Knitting mills, nec	3357	Nonferrous wiredrawing & insulating	3625	Relays & industrial controls	2076	Vegetable oil mills, nec
3821	Laboratory apparatus & furniture	3356	Nonferrous rolling & drawing, nec	3645	Residential lighting fixtures	3647	Vehicular lighting equipment
2258	Lace & warp knit fabric mills	3341	Nonferrous metals	2044	Rice milling	3261	Vitreous plumbing fixtures
3083	Laminated plastic plate & sheet	3463	Nonferrous forging	2095	Roasted coffee	3262	Vitreous china table & kitchenware
3524	Lawn & garden equipment	3299	Nonmetallic mineral products, nec	2384	Robes & dressing gowns	3873	Watches, clocks, & parts
3952	Lead pencils & art goods	2297	Nonwoven fabrics	3547	Rolling mill machinery	2385	Waterproof outerwear
3199	Leather goods, nec	3579	Office machines, nec	3052	Rubber & plastic hose & belting	2257	Wet knit fabric mills
2386	Leather & sheep-lined clothing	2522	Office furniture, except wood	3021	Rubber & plastic footwear	3548	Welding apparatus
3111	Leather tanning & finishing	3533	Oil & gas field machinery	2068	Salted & roasted nuts & seeds	2046	Wet corn milling
3151	Leather gloves & mittens	3851	Ophthalmic goods	2656	Sanitary food containers	2084	Wines, brandy, & brandy spirits
3648	Lighting equipment	3827	Optical instruments & lenses	2676	Sanitary paper products	3495	Wire springs
3274	Lime	3489	Ordnance & accessories, nec	2013	Sausages & other prepared meats	2337	Women's & misses' suits & coats
2411	Logging	2824	Organic fibers, noncellulosic	3425	Saw blades & handsaws	2335	Women's, juniors', & misses' dresses
2992	Lubricating oils & greases	3565	Packaging machinery	2421	Sawmills & planing mills, general	2341	Women's & children's underwear
3161	Luggage	2851	Paints & allied products	3596	Scales & balances, except laboratory	2251	Women's hosiery, except socks
2098	Macaroni, spaghetti, & noodles	3554	Paper industries machinery	2397	Schiffli machine embroideries	2339	Women's & misses' outerwear, nec
3541	Machine tools, metal cutting types	2621	Paper mills	3451	Screw machine products	2331	Women's & misses' blouses & shirts
3545	Machine tool accessories	2671	Paper coated & laminated, packaging	3812	Search & navigation equipment	3171	Women's handbags and purses
3542	Machine tools, metal forming type	2672	Paper coated & laminated, nec	3674	Semiconductors & related devices	3144	Women's footwear, except athletic
3695	Magnetic & optical recording media	2631	Paperboard mills	3263	Semivitreous table & kitchenware	2491	Wood preserving
3322	Malleable iron foundries	2542	Partitions & fixtures, except wood	3589	Service industry machinery, nec	2499	Wood products, nec
2083	Malt	3951	Pens & mechanical pencils	2652	Setup paperboard boxes	2434	Wood kitchen cabinets
2082	Malt beverages	2721	Periodicals	3444	Sheet metal work	2541	Wood partitions & fixtures
2761	Manifold business forms	3172	Personal leather goods, nec	3731	Ship building & repairing	2521	Wood office furniture
2097	Manufactured ice	2911	Petroleum refining	3993	Signs & advertising specialties	2517	Wood TV & radio cabinets
3999	Manufacturing industries, nec	2999	Petroleum & coal products, nec	3914	Silverware and plate ware	2449	Wood containers, nec
3953	Marking devices	2834	Pharmaceutical preparations	3484	Small arms	2511	Wood household furniture
2515	Mattresses & bedsprings	2874	Phosphatic fertilizers	3482	Small arms ammunition	2448	Wood pallets & skids
3586	Measuring & dispensing pumps	3861	Photographic equipment & supplies	2841	Soap & other detergents	3553	Woodworking machinery
3829	Measuring & controlling devices, nec	2035	Pickles, sauces, & salad dressing	2436	Softwood veneer & plywood	3844	X-ray apparatus & tubes
2011	Meat packing plants	3085	Plastic bottles	2075	Soybean oil mills	2281	Yarn spinning mills
3061	Mechanical rubber goods	3086	Plastic foam products	3769	Space vehicle equipment & parts		
2833	Medicinal & botanicals	2821	Plastic materials & resins	3764	Space propulsion units & parts		
2325	Men's & boys' trousers & slacks	3084	Plastic pipe	2429	Special product sawmills, nec		
3143	Men's footwear, except athletic	3088	Plastic plumbing fixtures	3544	Special dies, tools, jigs, & fixtures		
2323	Men's & boys' neckwear	3089	Plastic products, nec	3559	Special industry machinery, nec		
2329	Men's & boys' clothing, nec	2796	Platemaking service	3566	Speed changers, drives, & gears		
2321	Men's & boys' shirts	3471	Plating & polishing	3949	Sporting & athletic goods, nec		
2322	Men's & boys' underwear & nightwear	2395	Pleating & stitching	2678	Stationery products		
2326	Men's & boys' work clothing	3432	Plumbing fixture fittings & trim	3493	Steel springs, except wire		
2311	Men's & boys' suits & coats	2842	Polishes & sanitation goods	3315	Steel wire & related products		
2514	Metal household furniture			3317	Steel pipe & tubes		

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**The four-digit industry codes within Division E of the SIC Manual are: (*nec* means “not elsewhere classified”)**

4513 Air courier services	4932 Gas & other services combined	4226 Special warehousing & storage, nec
4522 Air transportation, nonscheduled	4971 Irrigation systems	4960 Steam & air-conditioning supply
4512 Air transportation, scheduled	4214 Local trucking with storage	4822 Telegraph & other message communications
4581 Airports, flying fields, & airport terminal services	4212 Local trucking without storage	4813 Telephone communications, except radiotelephone
4729 Arrangement of passenger transportation, nec	4925 Mixed, manufactured, or liquefied petroleum gas production	4833 Television broadcasting stations
4730 Arrangement of transportation of freight & cargo	4924 Natural gas distribution	4231 Terminal & joint terminal maintenance facilities for motor freight
4841 Cable & other pay television services	4922 Natural gas transmission	4725 Tour operators
4939 Combination utilities, nec	4923 Natural gas transmission & distribution	4789 Transportation services, nec
4899 Communications services, nec	4783 Packing & crating	4724 Travel agencies
4215 Courier services, except by air	4832 Radio broadcasting stations	4213 Trucking, except local
4931 Electric & other services combined	4812 Radiotelephone communications	4940 Water supply
4911 Electric services	4222 Refrigerated warehousing & storage	
4221 Farm product warehousing & storage	4953 Refuse systems	
4785 Fixed facilities & inspection & weighing services for motor vehicle transportation	4741 Rental of railroad cars	
	4959 Sanitary services, nec	
	4952 Sewerage systems	
	4225 Special warehousing & storage	

**The four-digit industry codes within Division F of the SIC Manual are: (*nec* means “not elsewhere classified”)**

5012 Automobiles & other motor vehicles	5138 Footwear	5131 Piece goods, notions, & other dry goods
5181 Beer & ale	5148 Fresh fruits & vegetables	5162 Plastics materials & basic forms & shapes
5192 Books, periodicals, & newspapers	5021 Furniture	5074 Plumbing & heating equipment & supplies (hydronics)
5032 Brick, stone, and related construction materials	5153 Grain & field beans	5144 Poultry & poultry products
5169 Chemicals & allied products, nec	5149 Groceries & related products, nec	5111 Printing & writing paper
5052 Coal & other minerals & ores	5141 Groceries, general line	5049 Professional equipment & supplies, nec
5046 Commercial equipment, nec	5072 Hardware	5078 Refrigeration equipment & supplies
5045 Computers & computer peripheral equipment & software	5022 Home furnishings	5033 Roofing, siding, and insulation materials
5145 Confectionery	5113 Industrial & personal service paper	5093 Scrap & waste materials
5082 Construction & mining (except petroleum) machinery & equipment	5084 Industrial machinery & equipment	5087 Service establishment equipment & supplies
5039 Construction materials, nec	5085 Industrial supplies	5091 Sporting & recreational goods & supplies
5143 Dairy products, except dried or canned	5094 Jewelry, watches, precious stones, & precious metals	5112 Stationery & office supplies
5122 Drugs, drug proprietaries, & druggist' sundries	5154 Livestock	5014 Tires & tubes
5099 Durable goods, nec	5031 Lumber, plywood, millwork, and wood panels	5194 Tobacco & tobacco products
5063 Electrical apparatus & equipment, wiring supplies, & construction materials	5147 Meat & meat products	5092 Toys & hobby goods & supplies
5064 Electrical appliances, television, & radio sets	5047 Medical, dental, & hospital equipment & supplies	5088 Transportation equipment & supplies, except motor vehicles
5065 Electronic parts & equipment, nec	5136 Men's & boy's clothing & furnishings	5075 Warm air heating & air-conditioning equipment & supplies
5083 Farm & garden machinery & equipment	5051 Metals service centers & offices	5182 Wine & distilled alcoholic beverages
5191 Farm supplies	5015 Motor vehicle parts, used	5137 Women's, children's, & infants' clothing & accessories
5159 Farm-product raw materials, nec	5013 Motor vehicle supplies & new parts	
5146 Fish & seafoods	5199 Nondurable goods, nec	
5193 Flowers, nursery stock, & florists' supplies	5044 Office equipment	
	5048 Ophthalmic goods	
	5142 Packaged frozen foods	
	5198 Paints, varnishes, & supplies	
	5172 Petroleum & petroleum products wholesalers, except bulk stations	
	5171 Petroleum bulk stations & terminals	
	5043 Photographic equipment & sales	